

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/03 To (mo./yr.) 12/03
2. DOGM File Number (Mine No) 50/100/57
3. Mine Name: Sliver 3-4
4. Mineral(s) Mined (or permitted to mine): Jasper
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected): no change
1/4, 1/4, 1/4, Section, Township, Range
1/4, 1/4, 1/4, Section, Township, Range
1/4, 1/4, 1/4, Section, Township, Range
7. Name of Operator or Company: Penneys Gemstones LLC
8. Permanent Street Address: 2400 East 30 South
City, State, Zip: Beaver, UT 84713
Phone: (435) 438-5522 Fax: (435) 438-2555
9. Company Representative (or designated operator):
Name: David Penney
Title: owner/operator/registered agent
Business Address: same as above
City, State, Zip: _____
Phone: _____ Fax: _____



Please check if any of the above information has changed since previous year.

FEB 02 2004

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? _____
3. If yes - how much ore or mineral was mined? 40 tons

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
Normal operations improved existing approved road and some reclamation
5. How much additional acreage was disturbed during the past year? minimal
6. How much acreage was reclaimed during the past year? Some
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
contoured the land to blend with natural topography by using equipment.
8. What is the total disturbed acreage of entire project at years end? see BUN records
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Reclamation : mining will be continuous

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information - R647-4-121.2 and .3

1. The operator shall include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
2. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Title of Operator:

Signature of Operator:

Date:

David L. Penney
owner/operator registered ag.
[Signature]
1/28/04



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
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Salt Lake City, Utah 84114-5801
801-538-5340
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801-538-7223 (TDD)

12/29/2003

PENNEY, DAVID L
BOX 312
2400 E 30 S
BEAVER UT 84713-0312

Re: Request for Annual Report for the Year 2003.

Dear Sirs:

The enclosed report form(s) for the Mine(s) referenced below need to be completed and returned to this office by January 31, 2004.

Mine Status	Mine Number	Mine Name	Contact Person
ACTIVE	S270024	LITTLE SPOT	DAVID PENNEY
INACTIVE	S030034	LUCIN VARISCITE MINE	DAVID PENNEY
ACTIVE	S010035	SLIVER 1-2	DAVID PENNEY
ACTIVE	S270073	PRETTY IN PINK	DAVID PENNEY
ACTIVE	S270093	WHITE TIGER	DAVID PENNEY
ACTIVE	S010056	LOST GEMS #1	DAVID PENNEY
ACTIVE	S010057✓	SLIVER 3-4	DAVID PENNEY
ACTIVE	S270096	FANTASY LAND JASPER	DAVID PENNEY
ACTIVE	S010064	CAROL MINE	DAVID PENNEY
ACTIVE	S230083	RAPUNZEL	DAVID PENNEY

Annual reports are required by Rules R647-3-116 and R647-4-121 of the Division's Amended and New Rules, Minerals Reclamation Program.

Reports are required regardless of annual mine activity, unless you have received a written waiver or formal release from reclamation obligations from the Division.

Thank you for your cooperation and prompt attention to this matter.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program